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GUIDE TO STARTING A BUSINESS IN ILLINOIS



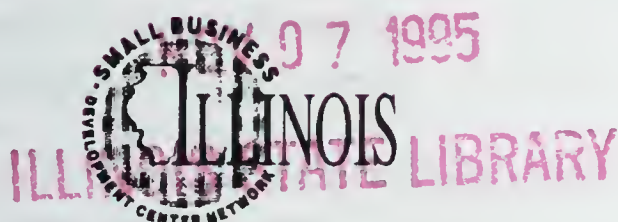
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UNIVERSITY OF ILLINOIS-URBANA

ILLINOIS DEPARTMENT OF
COMMERCE AND COMMUNITY AFFAIRS

ILLINOIS DOCUMENTS



FIRST-STOP BUSINESS INFORMATION CENTER OF ILLINOIS

620 East Adams Street
Springfield, Illinois 62701
Voice: 1-800/252-2923
TDD: 1-800/785-6055

Email: first.stop@accessil.com

Dennis R. Whetstone
Director

Jim Edgar
Governor

Bob Kustra
Lieutenant Governor

MISSION

Pursuant to the Business Assistance and Regulatory Reform Act, the Illinois Department of Commerce and Community Affairs (DCCA) created the First-Stop Business Information Center (the Center). The goal of the Center is to enhance the state's business climate by making it easier for businesses to comply with government requirements and gain access to information they need to be competitive.

THIS GUIDE'S PURPOSE

Whether a start-up or existing business, this guide will inform you of various legal requirements and direct you to additional resources. If you have any questions contact the Center or your local Small Business Development Center and a staff member will assist you.

GENERAL START-UP INFORMATION

FEASIBILITY CHECKLIST

A feasibility checklist is a tool that is used to evaluate the potential success of a new or existing business opportunity. The checklist focuses on the entrepreneur's financial stability, knowledge of the prospective industry and managerial experience. There is a feasibility checklist in chapter one of Starting and Operating A Business In Illinois which is listed in the library reference section of this guide.

A BUSINESS PLAN

A business plan is vital in determining the credibility of a new business opportunity. It can be used as a management tool and may be required if additional financing is needed. It demonstrates to prospective investors a well defined course of action. Business Plan: First Step to Success is listed in the library reference section of this guide.

BUSINESS REGISTRATION AND TAX REQUIREMENTS

TYPE OF BUSINESS CHOICES

There are several ways to organize businesses in Illinois. They are Sole Proprietorships, General and Limited Partnerships, Limited Liability Partnerships (LLP), Limited Liability Companies (LLC), "S" Corporations and "C" Corporations. Before selecting a business type, consult an attorney or accountant for assistance in determining which one is best for your business.

CHOOSING A BUSINESS NAME

When the business name is different from the owner's full legal name, the "Assumed Name Act" requires you to register sole proprietorships and partnerships with your county clerk's office. Check your local telephone directory for the number of your county clerk.

REGISTERING A BUSINESS

Every partnership, corporation (including S corporations), and certain sole proprietors must have a Federal Employer Identification Number (FEIN). For a FEIN registration form and other tax information see Internal Revenue Service section on next column.

SOLE PROPRIETORSHIPS AND GENERAL PARTNERSHIPS

Contact your local county clerk's office for registration under the Assumed Name Act. Sole proprietors must have FEINs if they: pay wages to one or more employees, or file any pension or excise tax returns including those of alcohol, tobacco, or firearms.

LIMITED PARTNERSHIPS

Secretary of State / Business Services
Room 357 Howlett Building
Springfield, Illinois 62756
Voice: 217/785-8960
TDD: 217/782-0238

LIMITED LIABILITY COMPANIES (LLC) AND LIMITED LIABILITY PARTNERSHIPS (LLP)

Secretary of State / Business Services
Room 359 Howlett Building
Springfield, Illinois 62756
Voice: 217/524-8008
TDD: 217/782-0238

"S" CORPORATIONS AND "C" CORPORATIONS

Secretary of State / Business Services
Room 328 Howlett Building
Springfield, Illinois 62756
Voice: 217/782-6961
TDD: 217/782-0238

INTERNAL REVENUE SERVICE (IRS)

The Internal Revenue Service has created "Your Business Tax Kit." Included in this kit is the IRS's criteria for determining whether a worker is an employee or an independent contractor as well as a Tax Guide for Small Business and various registration forms. For a free tax kit call or write:

Internal Revenue Service
Forms Distribution Center
PO Box 8902
Bloomington, Illinois 61702-8902
Voice: 1-800/829-3676
TDD: 1-800/829-4059

The IRS provides tax information and seminars free of charge call 1-800/829-1040 for more information.

ILLINOIS DEPARTMENT OF REVENUE (IDOR)

If you plan to hire employees, buy or sell products wholesale or retail, or manufacture goods, you must register with the IDOR. To receive a Registration Kit call or write:

Illinois Department of Revenue
Central Registration Division / PO Box 19030
Springfield, Illinois 62794-9030
Voice: 217/785-3707
TDD: 217/785-4270

LOCAL TAX REGISTRATION AND REQUIREMENTS

Some municipalities and counties impose their own taxes in addition to the state and federal taxes that most businesses are responsible for. New businesses should contact their local revenue department to determine if additional taxes apply to their business activities. Many communities restrict

advertising, regulate pricing or require zoning permits. Contact your city or county clerk for information on local restrictions.

LICENSES AND PERMITS REQUIRED BY LAW

Occupations and occupational activities are regulated by federal, state and local governments to protect the public's health, safety and welfare by ensuring that individuals who are engaged in these vocations or professions are qualified. To determine if your occupational activities are regulated, contact the Center and a business specialist will assist you.

INFORMATION FOR BUSINESSES WITH EMPLOYEES

ANTI-DISCRIMINATION LAWS

The Equal Employment Opportunity Commission (EEOC) is responsible for the enforcement of all anti-discrimination laws. These laws include: Title VII of the Civil Rights Act of 1964, Equal Pay Act, Age Discrimination in Employment Act, Rehabilitation Act of 1973, Title I of the Americans with Disabilities Act, and the Civil Rights Act of 1991. Business owners should acquaint themselves with these laws because they affect the company's hiring practices. To order information on these laws, please call or write:

EEOC Publications Office

PO Box 12549

Cincinnati, Ohio 45212

Voice: 1-800/669-3362

Fax: 513/489-8692

TDD: 1-800/800-3302 Material Orders Only

TDD: 1-800/669-6820 Inquiries

WORKERS' COMPENSATION INSURANCE

Under the Workers' Compensation and Workers' Occupational Diseases Acts, an employer is required to provide insurance for accidental deaths, injuries and occupational diseases of employees arising in the course of employment. Temporary workers who normally do not receive company benefits are still provided workers' compensation. Insurance generally is purchased through private companies. Companies can apply to the Industrial Commission to become self-insured. For a free handbook call or write:

Illinois Industrial Commission

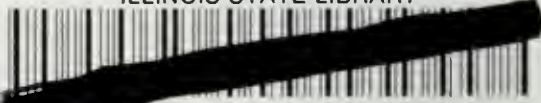
100 West Randolph, 8-200

Chicago, Illinois 60606

Voice: 312/814-6611

TDD: 312/814-6519

ILLINOIS STATE LIBRARY



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UNEMPLOYMENT INSURANCE

Typically a business is required to make unemployment insurance contributions to the Illinois Department of Employment Security (IDES) if they have: 1) employed one or more workers in each of 20 or more calendar weeks; or 2) paid at least \$1,500 in total wages during the calendar quarter. IDES has developed an Unemployment Insurance Employer Start-Up Kit. To request this kit call or write:

Illinois Department of Employment Security
Division of Unemployment Insurance
401 South State Street
Chicago, Illinois 60605
Voice: 312/793-4880

Illinois Relay Center for TDD callers: 1-800/526-0844

WAGE WITHHOLDING FOR CHILD SUPPORT

The Illinois Department of Public Aid is the Child Support Enforcement Agency for the State of Illinois. If you (as an employer) are served a Notice of Withholding, you are required by law to withhold a portion of an employee's income for payment of child support. For a copy of "Ensuring A Child's Birthright: An Illinois Employer's Guide To Income Withholding" call or write:

Illinois Department of Public Aid
Division of Child Support Enforcement
Employer Verification Unit
PO Box 19405
Springfield, Illinois 62794-9405
Voice: 217/782-1380
TDD: 217/524-3148
In Cook County: 312/793-3289
TDD: 312/814-1580

IMMIGRATION REFORM AND CONTROL

The Federal Immigration Reform and Control Act of 1986 requires every employer to keep on file a form for every employee certifying that employee's identity and work eligibility. For further information call or write:

Immigration and Naturalization Service
219 South Dearborn
Chicago, Illinois 60604
Voice: 312/353-7334
TDD: 1-800/767-1833

POSTER DISPLAY REQUIREMENTS

EQUAL EMPLOYMENT

OPPORTUNITY COMMISSION (EEOC)

Businesses with 15 or more employees must display the poster from the EEOC entitled Equal Employment Opportunity is THE LAW. This poster is available upon request, call or write the EEOC Publication office. (see Anti-Discrimination Laws section)

U.S. DEPARTMENT OF LABOR (USDOL)

Businesses with one or more employees must display these posters to inform employees of their rights: Occupational Safety and Health Administration's Safety poster, Family Medical Leave Act poster, Fair Labor Standard Act poster and the Employee Polygraph Protection Act poster. All requests for posters must be in writing. Please write or fax:

USDOL / Forms and Publications
230 Dearborn Street / Room 1086
Chicago, Illinois 60604
Fax: 312/353-0127

ILLINOIS DEPARTMENT OF EMPLOYMENT SECURITY (IDES)

The Illinois Department of Employment Security poster is included in the IDES Employer Start-Up Kit. (see Unemployment Insurance section)

ILLINOIS DEPARTMENT OF LABOR (IDOL)

The Illinois Department of Labor (IDOL) requires employers to display the poster entitled "Notice to Employers and Employees" which fulfills all IDOL's posting requirements for businesses in Illinois. Request by calling:

Voice: 312/793-2800 - Chicago Metro Area
Voice: 217/782-6206 -Downstate

ADDITIONAL RESOURCES AND SERVICES

MINORITY AND WOMEN CERTIFICATION

All vendors who wish to sell goods or services to the state and take advantage of the Minority and Female Business Enterprise (MAFBE) Program must complete a Bidder's Application Form (BAF) and a Universal Certification Application. A vendor will have business operations reviewed by the state to ensure that the business is 51 percent owned and controlled by a minority, female or a person with a disability. Businesses that are transportation related can certify with the Illinois Department of Transportation's Small Business Enterprises Certification Section. For more information on the certification process, call or write:

Central Mgt. Services	IL Dept. of Transportation
MAFBE	Certification Section
100 W. Randolph	Small Business Enterprise
4th Floor Suite 400	2300 S. Dirksen Pkwy Rm. 319
Chicago, Illinois 60601	Springfield, Illinois 62764
Voice: 312/814-4190	Voice: 217/782-5490
TDD: 312/785-3979	TDD: 217/785-6866

TRADEMARKS, PATENTS AND COPYRIGHTS

A trademark, servicemark or tradename is a word, name, symbol, device or combination thereof, adopted and used by a manufacturer, service provider or merchant to identify goods and services in order to distinguish them

from others. A patent gives legal recognition to the inventor, creator or discoverer of a new product, procedure or composition of matter. You may obtain a patent or federal trademark by fulfilling all the requirements of the U.S. Patent and Trademark Office. For more information contact:

Patent and Trademark Depository

Illinois State Library

300 So. 2nd St.

Springfield, Illinois 62701-1796

Voice: 217/782-5659

TDD: 1-800/526-0844

Chicago Public Library

Harold Washington Center

400 So. State St.

Chicago, Illinois 60601

Voice: 312/747-4450

TDD: 312/747-4518

State trademarks, servicemarks and tradenames can be obtained through:

Secretary of State / Business Services

Trademark Division

Room 328 Howlett Office Building

Springfield, Illinois 62756

Voice: 217/524-0400

A copyright is a form of protection provided to an author of original works including literary, dramatic, musical, artistic, sound recordings and certain other intellectual works. For information on copyrights, call or write:

The Copyright Office

Library of Congress

Washington, D.C. 20559

Voice: 202/707-3000

TDD: 202/707-6737

SMALL BUSINESS ADMINISTRATION (SBA)

The SBA has a number of programs and services available. They include training and educational programs, advisory services, publications, financial programs and contract assistance. The agency also offers specialized programs for women business owners, minorities, veterans, international trade and rural development. For more information call or write the SBA at:

500 W. Madison

Room 1250

Chicago, IL 60606

Voice: 312/353-4528

TDD: 312/886-5108

511 W. Capitol Ave.

Suite 302

Springfield, IL 62704

Voice: 217/492-4416

TDD: 217/492-4418

SERVICE CORPS OF RETIRED EXECUTIVES (SCORE)

SCORE and the SBA conduct seminars throughout Illinois on starting and running a business, as well as provide

individual counseling. For more information on SCORE, call Voice: 312/353-7723 and TDD: 312/886-5108

ILLINOIS SMALL BUSINESS

DEVELOPMENT CENTER NETWORK (ISBDCN)

The ISBDCN is made up of Small Business Development Centers, Procurement Technical Assistance Centers, International Trade / NAFTA Centers, Small Business Incubators, the Office of Minority Business Development and the Office of Women's Business Development. If you are asking yourself: How could my business be more competitive? Where can I find professional assistance to stabilize my business, plan for the future or expand my current sales market? Should I be exporting? Can I compete for government contracts? These and similar questions can be answered by a local staff member of the ISBDCN. Call the Illinois Business Assistance line for the center nearest you, at 1-800/252-2923 (Press 1,1,1,1 then enter 5 digit zip code). TDD: 1-800/785-6055

SMALL BUSINESS WORKSHOPS

The Small Business Workshops are conducted by the Internal Revenue Service, Illinois Department of Revenue, Illinois Department of Employment Security, Social Security Administration and the Small Business Administration. These workshops provide federal and state tax information for new and existing small business owners. For more information call or write the local Taxpayer Education Coordinator.

230 So. Dearborn
Chicago, Illinois 60604
Voice: 312/886-7802

320 W. Washington
Springfield, Illinois 62701
Voice: 217/527-6366
TDD: 1-800/829-4059

LIBRARY REFERENCES

This section was developed in partnership with the Illinois State Library to address a broad range of business topics. The Center does not represent or imply that the foregoing publications are the only, or preferred, references for Illinois businesses. If materials are not available at your local library, check with library staff to borrow the book through inter-library loan or ask for a similar book from that library's collection.

TITLE

Business Plan: First Step to Success
Directory of Franchise Opportunities
Doing Business on the Internet
Home Office and Small Business

Answer Book

Starting & Operating a Business in IL

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